

**REPORT OF THE AUDIT OF THE
FORMER MADISON COUNTY
CLERK**

**For The Year Ended
December 31, 2010**



**CRIT LUALLEN
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EXECUTIVE SUMMARY

**AUDIT EXAMINATION OF THE
FORMER MADISON COUNTY CLERK**

**For The Year Ended
December 31, 2010**

The Auditor of Public Accounts has completed the former Madison County Clerk's audit for the year ended December 31, 2010. Based upon the audit work performed, the financial statements present fairly in all material respects, the revenues and expenditures of the former County Clerk and the revenues, expenditures, and fund balances of the former County Clerk's operating fund and county fund with the State Treasurer in conformity with the regulatory basis of accounting.

Financial Condition:

A fee official in counties with a population over 70,000 has two funds established with the state for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in a County Clerk's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county government fund and paid quarterly to the county government. These funds are closed at the end of each four-year term by paying the balances to the respective county government.

The former Madison County Clerk had total receipts of \$19,214,420, which was a \$1,596,361 increase from the prior year. The former County Clerk paid 25% of receipts to the Madison County Fiscal Court in the amount of \$467,747. This was an increase of \$37,405 from the prior year. In addition, disbursements increased by \$1,701,016.

Debt Obligations:

Lease agreements totaled \$231,115 as of December 31, 2010. Future principal and interest payments of \$231,115 are needed to meet these obligations.

Report Comments:

- 2010-01 The Former County Clerk's Procedures Over The Imprest Cash Account Should Have Been Improved
- 2010-02 Receipts Should Have Been Deposited Daily
- 2010-03 The Former County Clerk Should Have Ensured That Usage Tax Reports Were Filed Timely And Accurately
- 2010-04 The Former County Clerk's 75% Fund Had A \$385,429 Deficit At Year End

Deposits:

The former County Clerk's deposits were insured and collateralized by bank securities or bonds.

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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Kent Clark, Madison County Judge/Executive
Honorable William Gabbard, Former Madison County Clerk
Honorable Kenny Barger, Madison County Clerk
Members of the Madison County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of revenues and expenditures - regulatory basis of the former County Clerk of Madison County, Kentucky, and the statement of revenues, expenditures, and fund balances of the former County Clerk's operating fund and county fund with the State Treasurer - regulatory basis for the year ended December 31, 2010. These financial statements are the responsibility of the former County Clerk. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Clerk prepares the financial statements on a regulatory basis of accounting that demonstrates compliance with the laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the revenues, expenditures, and fund balances of the former County Clerk's operating fund and county fund with the State Treasurer for the year ended December 31, 2010, in conformity with the regulatory basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2011 on our consideration of the former County Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



The Honorable Kent Clark, Madison County Judge/Executive
Honorable William Gabbard, Former Madison County Clerk
Honorable Kenny Barger, Madison County Clerk
Members of the Madison County Fiscal Court

Based on the results of our audit, we have presented the accompanying comments and recommendations, included herein, which discusses the following report comments:

- 2010-01 The Former County Clerk's Procedures Over The Imprest Cash Account Should Have Been Improved
- 2010-02 Receipts Should Have Been Deposited Daily
- 2010-03 The Former County Clerk Should Have Ensured That Usage Tax Reports Were Filed Timely And Accurately
- 2010-04 The Former County Clerk's 75% Fund Had A \$385,429 Deficit At Year End

This report is intended solely for the information and use of the County Clerk and Fiscal Court of Madison County, Kentucky, and the Commonwealth of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

November 30, 2011

MADISON COUNTY
WILLIAM GABBARD, FORMER COUNTY CLERK
STATEMENT OF REVENUES AND EXPENDITURES - REGULATORY BASIS

For The Year Ended December 31, 2010

Revenues

State Grants		\$	16,094
State Fees For Services			50,555
Licenses and Taxes:			
Motor Vehicle-			
Licenses and Transfers	\$	2,293,590	
Usage Tax		8,028,214	
Tangible Personal Property Tax		5,700,904	
Other-			
Fish and Game Licenses		10,264	
Marriage Licenses		21,158	
Notary Fees		17,598	
Lien Release Fees		41,230	
Miscellaneous		8,816	
Deed Transfer Tax		185,204	
Delinquent Taxes		2,298,601	18,605,579
Fees Collected for Services:			
Recordings-			
Deeds, Easements, and Contracts		33,585	
Real Estate Mortgages		123,779	
Chattel Mortgages and Financing Statements		173,287	
Affordable Housing		78,750	
All Other Recordings		91,434	
Charges for Other Services-			
Copywork		30,707	531,542
Other:			
Refunds		9,825	
Miscellaneous		118	9,943
Interest Earned			707
Total Revenues			19,214,420

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY
WILLIAM GABBARD, FORMER COUNTY CLERK
STATEMENT OF REVENUES AND EXPENDITURES - REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

Expenditures

Payments to State:

Motor Vehicle-

Licenses and Transfers	\$ 1,549,898	
Usage Tax	7,781,788	
Additional Fees	22,508	
Tangible Personal Property Tax	1,972,885	

Licenses, Taxes, and Fees-

Delinquent Tax	261,525	
Legal Process Tax	61,252	
Affordable Housing	78,750	
Fish and Game Licenses	9,850	\$ 11,738,456

Payments to Fiscal Court:

Tangible Personal Property Tax	388,651	
Delinquent Tax	144,601	
Deed Transfer Tax	175,944	709,196

Payments to Other Districts:

Tangible Personal Property Tax	3,109,976	
Delinquent Tax	1,206,941	4,316,917

Payments to Sheriff

166,434

Payments to County Attorney

304,225

Operating Expenditures:

Contracted Services-

Microfilming		16,094
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Other Charges-

Uncollected NSF Checks	1,735	
Refunds	54,648	56,383

Total Expenditures

\$ 17,307,705

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY
WILLIAM GABBARD, FORMER COUNTY CLERK
STATEMENT OF REVENUES AND EXPENDITURES - REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

Net Revenues		\$	1,906,715
Payments to State Treasurer:			
75% Operating Fund	\$	1,433,946	
25% County Fund		<u>467,747</u>	1,901,693
Payments to Fiscal Court			<u>5,022</u>
Balance Due at Completion of Audit		\$	<u><u>0</u></u>

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY
WILLIAM GABBARD, FORMER COUNTY CLERK
STATEMENT OF REVENUES, EXPENDITURES, AND
FUND BALANCES OF THE COUNTY CLERK'S OPERATING FUND
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS

For The Year Ended December 31, 2010

	75% Operating Fund	25% County Fund	Totals
	<hr/>	<hr/>	<hr/>
Fund Balance - January 1, 2010	\$ (506,480)	\$	\$ (506,480)
<u>Revenues</u>			
Fees Paid to State - Operating Funds (75%)	1,433,946		1,433,946
Fees Paid to State For Close Outs	70,189		70,189
Fees Paid to State - County Funds (25%)		467,747	467,747
	<hr/>	<hr/>	<hr/>
Total Funds Available	997,655	467,747	1,465,402
	<hr/>	<hr/>	<hr/>
<u>Expenditures</u>			
Payments To Madison County Fiscal Court		467,747	467,747
Personnel Services-			
County Clerk Statutory Maximum	97,848		97,848
County Clerk Expense Allowance	3,600		3,600
Deputies' Salaries	702,111		702,111
Employee Benefits-			
Employer's Share Social Security	55,371		55,371
Employer's Share Retirement	132,542		132,542
Employer's Paid Health Insurance	93,677		93,677
Other Payroll Expenditures	17,115		17,115
Contracted Services-			
Copy Machine and Maintenance	9,573		9,573
Miscellaneous Equipment Agreements	30,363		30,363

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY
WILLIAM GABBARD, FORMER COUNTY CLERK
STATEMENT OF REVENUES, EXPENDITURES, AND
FUND BALANCES OF THE COUNTY CLERK'S OPERATING FUND
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	75% Operating Fund	25% County Fund	Totals
<u>Expenditures</u> (Continued)			
Materials and Supplies-			
Office Supplies	\$ 1,126	\$	\$ 1,126
Miscellaneous Office Expenses	39,464		39,464
Other Charges-			
Conventions and Travel	925		925
Books and Maps	14,992		14,992
Postage	2,490		2,490
Notary	40		40
Miscellaneous	3,645		3,645
Debt Service-			
Computer Equipment and Software	178,202		178,202
Total Expenditures	1,383,084	467,747	1,850,831
Fund Balance - December 31, 2010	\$ (385,429)	\$ 0	\$ (385,429)

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of revenues over expenditures to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount due from the County Clerk as determined by the audit.

KRS 64.350 establishes that a fee official in counties with a population over 70,000 has two funds with the State Treasurer for the deposit of fees collected. Seventy-five percent (75%) of the fees collected is deposited in a County Clerk's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected is deposited to the county fiscal court fund and paid to the fiscal courts, urban-county governments, or consolidated local governments of the respective counties quarterly no later than April 15, July 15, October 15, and January 15. These funds are closed at the end of each official term by paying the balances to the respective county government.

The financial statements have been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting, revenues and expenditures are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive), at December 31:

- Interest receivable
- Collection on accounts due from others for 2010 services
- Reimbursements for 2010 activities
- Payments due other governmental entities for December tax and fee collections
- Payroll expenditures incurred but not paid
- Payments due vendors for goods or services provided in 2010

The Attorney General issued a letter which stated that some revenues of the fee official offices could be considered reimbursed expenses. All reimbursed expenses are treated as revenue in the 75 percent fund.

MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Clerk's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county official and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 16.16 percent for the first six months and 16.93 percent for the last six months.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

MADISON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010
(Continued)

Note 3. Deposits

The former County Clerk maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the County Clerk and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the County Clerk's deposits may not be returned. The former County Clerk did not have a deposit policy for custodial credit risk but rather followed the requirements of KRS 41.240(4). As of December 31, 2010, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 4. Grant

During calendar year 2009, the Former County Clerk received a local records microfilming grant from the Kentucky Department for Libraries and Archives in the amount of \$16,090. These funds were not expended in calendar 2009. During calendar year 2010, \$4 of interest was earned and expenditures of \$16,094 were made, leaving a \$0 balance in the grant account as of December 31, 2010.

Note 5. Leases

- A. The Office of the County Clerk was committed to a lease agreement with Software Management for hardware and software. The agreement requires a monthly payment of \$14,692 for 60 months to be completed in February 2012. The total remaining balance of the agreement was \$190,996 as of December 31, 2010.
- B. The Office of the County Clerk was committed to a lease agreement with Pitney Bowes for a postage machine and related equipment. The agreement requires a monthly payment of \$771 for 60 months to be completed in January 2014. The total remaining balance of the agreement was \$30,069 as of December 31, 2010.
- C. The Office of the County Clerk was committed to a lease agreement with US Bank Corp for a copier. The agreement requires a monthly payment of \$324 for 48 months to be completed in June 2013. The total remaining balance of the agreement was \$10,050 as of December 31, 2010.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Kent Clark, Madison County Judge/Executive
The Honorable William Gabbard, Former Madison County Clerk
The Honorable Kenny Barger, Madison County Clerk
Members of the Madison County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements - regulatory basis of the former Madison County Clerk for the year ended December 31, 2010, and have issued our report thereon dated November 30, 2011. The County Clerk's financial statements are prepared in accordance with a basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the former Madison County Clerk is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the former Madison County Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the former County Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the former County Clerk's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying comments and recommendations as item 2010-01 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the former Madison County Clerk's financial statements for the year ended December 31, 2010, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying comments and recommendations as items 2010-02, 2010-03 and 2010-04.

This report is intended solely for the information and use of management, the Madison County Fiscal Court, and the Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Crit Luallen', with a stylized, flowing script.

Crit Luallen
Auditor of Public Accounts

November 30, 2011

COMMENTS AND RECOMMENDATIONS

MADISON COUNTY
WILLIAM GABBARD, FORMER COUNTY CLERK
COMMENTS AND RECOMMENDATIONS

For The Year Ended December 31, 2010

INTERNAL CONTROL – SIGNIFICANT DEFICIENCY:

2010-01 The Former County Clerk's Procedures Over The Imprest Cash Account Should Have Been Improved

During our audit, we noted the following items pertaining to the imprest cash account:

- Requests for reimbursement were not submitted to the State on a routine basis in order to maintain a consistent balance within the account. We noted instances where purchases made in March 2010 were not reimbursed by the state until January 2011. As outlined in the Finance and Administration Cabinet's Financial Operations Manual for Counties with populations over 70,000, the petty cash fund should be replenished once a month.
- Since the former County Clerk handled all aspects of the imprest account (receipts, disbursements, reporting, and reconciliation), there was a lack of segregation of duties over this account.

The former County Clerk should have submitted replenishment vouchers monthly as required. The former County Clerk should have also implemented compensating controls over the imprest cash account. The former County Clerk should have assigned someone the duty of reconciling the account or reviewing the ledgers and the reconciliation process.

Former County Clerk's Response: No response.

STATE LAWS AND REGULATIONS

2010-02 Receipts Should Have Been Deposited Daily

During our review of receipts, auditors noted the following delays in funds being deposited:

- \$57.51 from the County dated 1/12/10 was not deposited until 7/16/10
- \$1,593.15 from the County dated 2/9/10 was not deposited until 7/16/10
- \$534.15 from the State dated 5/17/10 was not deposited until 7/16/10
- \$23,078.82 from the State dated 10/1/10 was not deposited until 11/23/10

Under the authority of KRS 68.210, the Department for Local Government has established requirements for all local government officials handling public funds. These requirements include "daily deposits intact into a federally insured banking institution." The former County Clerk should have implemented procedures to ensure receipts were deposited timely in order to meet requirements established by DLG.

Former County Clerk's Response: No response.

MADISON COUNTY
WILLIAM GABBARD, FORMER COUNTY CLERK
COMMENTS AND RECOMMENDATIONS
For The Year Ended December 31, 2010
(Continued)

STATE LAWS AND REGULATIONS (CONTINUED)

2010-03 The Former County Clerk Should Have Ensured That Usage Tax Reports Were Filed
Timely And Accurately

During our audit, we noted the former County Clerk was issued \$39,395 of usage tax penalties from the Department of Revenue for failure to file weekly reports in a timely manner. Of this amount, \$16,887 was waived, leaving the former County Clerk to pay the remaining \$22,508 from his fee account. These penalties were the direct result of poor management oversight and a lack of proper employee training. Reports were filed between two (2) and sixteen (16) days late, with one instance of a \$19 error which took 103 days to correct, resulting in a \$5,150 penalty.

KRS 138.464(3) states that the Clerk shall be subject to a 2.5% penalty of the total amount of money collected for failure to file the weekly reports within seven (7) working days after the report is due. KRS 138.464(4) states that the Clerk shall be subject to a penalty (not less than \$50 or more than \$500 per day) for failure to deposit or transfer money collected.

The former County Clerk should have complied with KRS 138.464(3) and (4) by providing proper management oversight and employee training to ensure the weekly usage tax reports were filed timely and accurately with the Department of Revenue in order to eliminate usage tax penalties.

Former County Clerk's Response: No response.

2010-04 The Former County Clerk's 75% Fund Had A \$385,429 Deficit Balance At Year End

The County Clerk's 75% operating fund had a deficit balance of \$385,429 as of December 31, 2010. KRS 64.345(4) states, "If seventy-five percent (75%) of the amount paid into the State Treasury in any month by any such officers is not sufficient to pay the salaries and expenses of his/her office for the month, the deficit may be made up out of the amount paid in any succeeding month; but in no event shall the amount allowed by the Finance and Administration Cabinet to any officer for salaries and expenses exceed seventy-five percent (75%) of the amount paid to the Finance and Administration Cabinet by the officer during his/her term." The 75% operating fund had to be settled at the end of the County Clerk's term, which ended December 31, 2010. The Fiscal Court presented a check to the Kentucky State Treasurer on March 8, 2011, for the deficit balance.

Former County Clerk's Response: No response.

